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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

CELSIUS NETWORKS LLC, *et al.*,

Debtors.

Chapter 11

Case No. 22-10964 (MG)

**UPDATE TO ORDER DENYING MOTION OF CERTAIN RETAIL BORROWERS FOR
HEARING AND OTHER RELIEF (ECF Doc. #7808)**

In reply to the Post-Effective Debtor's Objection to the Motion for Hearing and Other Relief (Motion Doc #7771 / Objection Doc # 7789 / Reply Doc #7805), and at the request of the Court in the Order Denying Motion of Certain Retail Borrowers for Hearing and Other Relief (Doc #7808) Movants met with Post-Effective Date Debtor's counsel to narrow the extensive allegations in the filed motion and to focus in on key issues at hand.

In those discussions, we were not able to convince each other of the merits of our respective perspectives on the Treatment that was called for under The Plan. Both parties believe wholeheartedly in their interpretations of The Plan and the Treatment of Retail Borrowers under The Plan. The differences in recovery are significant and The Plan is complex and nuanced.

Movants are supported in these efforts by a large number of requests for joinder that have been filed on the docket (including 28 joinder letters recorded on the docket in addition to the 8 referenced in Court Order #7808 for a total of 36 – See ECF Doc. ## 7809, 7811, 7812, 7813, 7814, 7815, 7816, 7817, 7818, 7819, 7821, 7822, 7823, 7824, 7825, 7826, 7827, 7828, 7829,

7830, 7831, 7832, 7833, 7834, 7844, 7845, 7856, 7865) and represent a group that includes more than 25% of total loan value of the loans that were refinanced.

Furthermore, Movants responded to Post-Effective Debtor's objections in Doc #7789 with a Reply in Doc #7805 that specifically addressed the objections of the Post-Effective Date Debtors and further highlighted concerns about the Treatment that Movants and other Retail Borrowers received that Movants believe is not consistent with the Treatment called for under The Plan and the Retail Borrowers Settlement Agreement. Movants have raised related issues throughout 2024 and in the hearing on July 29, 2024 were promised that their voices would be heard by the Court, with respect these issues.

As there remain fundamental disagreements that do not presently seem to be capable of quick resolution through direct conversations between the parties, further briefings and discussions will be necessary. Movants are preparing to file an Adversary Proceeding, which will likely lead to significant, lengthy and costly litigation, but request that the court consider mediation of these issues as a more efficient and less resource intensive path to resolving these disputes.

Respectfully submitted,

/s/ Richard D. Grossman

Richard D. Grossman

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